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May 1, 2015

TO: Each Supervisor

FROM: Cynthia A. Harding, M.P.H.
Interim Director

A handwritten signature in black ink that reads "Cynthia A. Harding". The signature is written in a cursive, flowing style.

SUBJECT: **UPDATE ON HEALTH FACILITIES INSPECTION DIVISION
CONTRACT NEGOTIATIONS (ITEM NO. 25, AGENDA OF FEBRUARY
24, 2015)**

This is to provide your Board with an update to our April 1, 2015 report on the Department of Public Health (DPH) Health Facilities Inspection Division's (HFID) contract and DPH's success in contract negotiations with the State, consistent with the Board's position to increase funding to conduct the required services.

HFID Contract Negotiations

Los Angeles County (LAC) contracts with the California Department of Public Health (CDPH) Licensing & Certification (L&C) program to provide licensing, certification, inspection, and complaint investigation services for healthcare facilities in LAC. The current contract for the HFID is \$26.9 million and will end on June 30, 2015. DPH began formal contract negotiations with the State in March 2015, received draft contract documents from L&C for the negotiations in mid-April, and held all-day meetings with CDPH staff on April 17 and April 29, 2015 to finalize negotiations.

CDPH staff have agreed in concept to all the key elements required in the revised contract, including the methodology for how additional resources will be calculated. DPH continues to work with CDPH staff to finalize the following contract details: 1) yearly work plans for the contract with phased in staffing increases and expected workload requirements, 2) the inclusion of performance measures based on federal and State policy and procedures, and 3) methodologies for allocating workload where HFID and the State L&C will have shared responsibilities for ensuring vulnerable populations are protected.

Each Supervisor

May 1, 2015

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Funding for L&C is dependent on the resources being provided through the State's budget process, and CDPH staff anticipate that the release of the Governor's May Revised budget will facilitate finalizing the HFID funding contract terms.

Terri Williams, Assistant Director of Environmental Health, other staff, and I again met in Sacramento in recent weeks with key Legislative leaders and their staff regarding the HFID contract, the need for additional funding to carry out the expected workload, and the need to correctly encapsulate the contract terms in the new contract with the State.

We anticipate bringing a Board letter to recommend acceptance of the State funding award for the HFID contract in June, and we have requested a timeline from the State for getting us a final contract prior to expiration of the current one. We will continue to provide your Board with additional status updates on the FY 2015-16 Budget and LAC contract negotiations as they progress. In the meantime, if you have any questions or need additional information, please let me know.

CAH:jb

c: Interim Chief Executive Officer
 County Counsel
 Acting Executive Officer, Board of Supervisors